

Message Text

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ACTION NEA-10

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E.O. 11652: N/A
TAGS: EAGR, EAID, EINV, EG
SUBJECT: SHARKIYA DEVELOPMENT PROJECT

1. AT CONCLUSION OF THEIR RECENT VISIT TO EGYPT, DR. EUGENE GRASBERG, VICE PRESIDENT, THE AGRIBUSINESS COUNCIL, AND DR. GERALD M. STURMAN, SENIOR VICE PRESIDENT, PARSONS BRINCKERHOFF QUADE AND DOUGLAS, INC., BOTH OF NEW YORK CITY, CALLED ON AMBASSADOR AND AGATTACHE. PURPOSE OF CALL WAS TO REPORT ON THEIR EFFORTS TO GET PLANS UNDER WAY FOR SUBJECT PROJECT, ORIGINALLY PROPOSED BY LETTER FROM PRESIDENT SADAT TO PRESIDENT CARTER AND FAVORABLY ENDORSED BY RETURN LETTER.

2. AFTER SEVERAL MEETINGS WITH MINISTER OF AGRICULTURE SHOUKRY, GOVERNOR WASSEL OF SHARKIYA PROVINCE, DEPUTY CHAIRMAN EL NAZER OF INVESTMENT AUTHORITY AND OTHERS, AGREEMENT HAS BEEN REACHED TO FORM A QUOTE ACTION COMMITTEE UNQUOTE. COMMITTEE'S RESPONSIBILITIES WILL INCLUDE (A) INVENTORY OF RESOURCES IN SHARKIYA FROM EXISTING SOURCES OF INFORMATION, (B) DEVELOPMENT OF MASTER PLAN FOR PROVINCE, (C) ESTABLISHMENT OF QUOTE SHARKIYA DEVELOPMENT PROJECT CORPORATION UNQUOTE, AND (D) SELECTION OF POTENTIALLY VIABLE PROJECTS CONSISTENT
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WITH MASTER PLAN.

3. CORPORATION MEMBERSHIP WILL INCLUDE GOE, AGRIBUSINESS COUNCIL, AND BOTH AMERICAN AND EGYPTIAN COMPANIES WITH INTEREST IN ITS ACTIVITIES.

4. DR. STURMAN INFORMED US THAT HIS AMERICAN FIRM AL-

READY HAS A LAW 43 LOCAL AFFILIATE, PARSONS BRINCKERHOFF/SABBOUR (PB/S). ACCORDING TO GRASBERG AND STURMAN, PB/S WILL BE THE OPERATING MANAGER OF BOTH THE ACTION COMMITTEE AND SUBSEQUENTLY THE CORPORATION. STURMAN STRESSED IMPORTANCE OF HAVING MASTER PLAN DEVELOPED BY A WORKING MEMBER OF ACTION COMMITTEE, RATHER THAN OUTSIDE CONSULTANT, TO AVOID USUAL FATE OF MASTER PLANS ENDING UP IN A FORTHOTTEN FILE DRAWER. BY HAVING PB/S DRAW UP MASTER PLAN, STURMAN BELIEVES IT WILL BE A MORE PRACTICAL DOCUMENT AND IT WILL BE ACTED UPON.

5. THERE WAS APPARENTLY SOME MISUNDERSTANDING BETWEEN GOE OFFICIALS AND GRASBERG/STURMAN. LATTER ORIGINALLY UNDERSTOOD THAT GOE DID NOT WANT A MASTER PLAN APPROACH TO SUBJECT PROJECT, BUT INSTEAD SELECTION OF LOGICALLY RELATED PROJECTS. AS OBSTACLES TO THESE PROJECTS BECAME EVIDENT (I.E., INADEQUACY OF INFRASTRUCTURE IN SHARKIYA, ETC.), CORPORATION ACTIVITIES WOULD BE BROADENED TO INCLUDE NECESSARY ACTIONS TO REMOVE THESE IMPEDIMENTS TO PROJECTS. HOWEVER, IN LATER MEETINGS GOE INDICATED DESIRE TO HAVE MASTER PLAN IN EARLY STAGES OF PROJECT AND IT IS NOW ONE OF FIRST STEPS PROPOSED.

6. GRASBERG/STURMAN REPORTED THAT HEINZ FOUNDATION HAS OFFERED GIFT OF DOLLARS 25,000 AS SEED MONEY FOR PROJECT ON UNDERSTANDING THIS SUM WILL AT LEAST BE MATCHED BY UNCLASSIFIED

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GOE. EL NAZER ASSURED THEM THAT GOE FUNDS WILL BE FORTHCOMING. ONLY OTHER MENTION OF FINANCIAL REQUIREMENTS WAS COMMENT BY STURMAN THAT CASH FLOW REQUIREMENTS IN EARLY STAGES WAS LIKELY TO BE RELATIVELY SMALL. HE MENTIONED FIGURE OF DOLLARS 1 MILLION. FINANCIAL REQUIREMENTS AND SOURCES FOR SAME TO FUND ACTUAL PROJECTS WERE NOT DISCUSSED.

7. GRASBERG/STURMAN PROMISED TO KEEP US INFORMED OF SUBSEQUENT DEVELOPMENTS CONCERNING SUBJECT PROJECT. EILTS

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